

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

July 22, 2021

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Chuck Martin	Mark Harrison
Laura Pasternak	Mike Howard
Sharon Pinder	Anthony Williams
Mara Sierocinski	Timothy Smoot
	Robin Harris

AGENDA

Attorney General's Office

Barbara Kountz, Deputy Counsel

MINUTES

July 8, 2021

EXTENSION

Gravastine, LLC

Midas Rx Pharmacy, LLC

Unified Solutions Services, LLC

MODIFICATION

DAR's Adult Day Center, LLC/DAR Healthcare Services, LLC

NEW REQUEST

Mobtown Fermentation, LLC dba Wild Kombucha

The Allocated Formula Group, Inc. dba AFG Networks

The closed session of July 8, 2021, meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Chuck Martin, Kenny Oreagba, and Mara Sierocinski. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the extension request of Van Eron's Pro Soccer, LLC and the new request of Cherry's Beauty Supply Store, LLC. All of the requests were approved.

1. Van Eron's Pro Soccer, LLC- \$142,500 EPIP Term Loan. 30-day approval extension to August 12, 2021.
2. Cherry's Beauty Supply Store, LLC - \$35,000 EPIP Term Loan.

MINUTES

July 8, 2021

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

NOTE: Mara Sierocinski was not present during this request.

EXTENSION

Presenter: Timothy Smoot

Applicant: Gravastine, LLC

Loan Amount: \$360,000 Term Loan

Original Approval Date: May 13, 2015

Comments: Request a maturity date extension of the term loan through September 23, 2021, to allow more time to prepare a loan restructure of the balloon payment that was due at maturity.

Discussion: The following was discussed:

1. Loan payment status
2. Loan balance
3. Status of the property pledged as collateral
4. Proposal to refinance the loan or consideration to extend the term requiring both owners of the pledged collateral to sign
5. Loan maturity date; number of extensions requested
6. Possibility of charging late fees
7. Bankability of the company
8. Issuing a Notice of default/demand

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented subject to MMG issuing a Notice of Default and demand for payment to the borrower with a copy sent to Les Hall.

EXTENSION

Presenter: Tim Smoot

Applicant: Midas Rx Pharmacy, LLC/Fokos Group, LLC

Loan Amount: \$200,000 EPIP Term Loan

Original Approval Date: October 17, 2017

Comments: Approval was requested to extend the maturity date of the term loan through August 26, 2021, to allow more time to prepare a loan restructure of the balloon payment that was due at maturity.

Discussion: There was limited discussion regarding the request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: Unified Solutions Services, LLC

Loan Amount: 1. \$550,000 Surety Bond Direct
2. \$120,000 Contract Financing Line of Credit

Comments: Approval was requested for a 60-day maturity date extension on the Surety Bond and the Line of Credit through September 23, 2021, to allow more time to receive and review the financial statements for renewal on both facilities.

Discussion: There was limited discussion regarding the timing of the submission of the expected financial statements and the number of extension requests.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the requests as presented.

REPORT

Presenter: Tim Smoot

Applicant: Flight Fab, Inc.

Loan Amount: \$800,000 Contract Financing Line of Credit

Original Approval Date: September 12, 2019


Comments: The borrower will be graduating from the program soon. It has identified a bank to refinance its debt with both MSBDFA and MCBIF.

Discussion: There was limited discussion regarding the length of time the borrower has been in the MSBDFA program.

Action Taken: No action was required.

The Open Meeting then closed at 1:35 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:


Celester A. Hall
Chairman

DATE:

9-14-21

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: July 22, 2021

Time: 1:35 pm – 2:20 pm

Location: Held by conference call only due to COVID 19 pandemic at
470.869.2200/428 245 6027

Motion to close meeting made by: Laura Pasternak; Seconded by Mara Sierocinski

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[]	[]	[]	[x]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[]	[]	[]	[x]
Laura Pasternak	[x]	[]	[]	[]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[]	[]	[]	[x]
Mara Sierocinski	[x]	[]	[]	[]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

____ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

____ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

____ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

____ (5) To consider the investment of public funds;

____ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

____ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

____ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

____ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

____ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

____ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

____ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.



Celester Hall
Chair